

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

**DEPARTMENT OF TREASURY**

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**STATE TAX COMMISSION**

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To: All Assessing Officers  
From: State Tax Commission  
RE: Foreign and Domestic Insurance Companies  
Act 261, P.A. of 1987  
Act 262, P.A. of 1987  
Effective December 28, 1987

Act 261, P.A. of 1987 (SB 447) repealed several sections of the Insurance Code including section 440 (Section 500.440, M.C.L.). This section provided exemption from property taxation for the personal property of foreign insurers who were required to pay to the state a tax on premium collections on policies sold in this state. The effective date of the repeal is December 28, 1987.

Act 262, P.A. of 1987 (SB 448) amended the Single Business Tax Act to provide for computing a tax base on gross receipts for both domestic and foreign insurers upon which the single business tax rate will be applied and a tax collected. The payment of the single business tax will be in lieu of all other privilege or franchise fees or taxes imposed by another law of the state, except taxes on real and personal property. Act 262 (SB 448) became effective on December 28, 1987.

Conclusion: Both real and personal property of both domestic and foreign insurers is subject to taxation pursuant to the General Property Tax Act.

Such property shall be assessed as of December 31, 1987 and on each December 31 thereafter.